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**LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE**

STATE OF LOUISIANA

FINANCIAL REPORT

**For the year ended
June 30, 2007**

(With Accountant's Report Thereon)

2007 OCT -4 PM 2:06

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/17/07

**LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA**

For the year ended June 30, 2007

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INDEPENDENT AUDITOR'S REPORT

Louisiana Beef Industry Council
Department of Agriculture
State of Louisiana
Baton Rouge, Louisiana

I have audited the accompanying financial statements of the Louisiana Beef Industry Council, a component unit of the State of Louisiana, as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of the Louisiana Beef Industry Council management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit Standards*, issued by the Controller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As discussed in Note A, the financial statements present only the Louisiana Beef Industry Council, a component unit of the State of Louisiana and do not purport to, and do not, present fairly the financial position of the State of Louisiana, as of June 30, 2007 and the changes in financial position and cash flows, for the year ended in conformity with accounting principles generally accepted in the United States of America.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Beef Industry Council a component unit of the State of Louisiana, as of June 30, 2007, and the changes in financial position and cash flows for the year ended June 30, 2007, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Audit Standards*, I have also issued reports dated August 24, 2007, on my consideration of Louisiana Beef Industry Council internal control over financial reporting and my test of its compliance with certain provision of laws, regulations, and contracts a separate report is issued on the compliance with the Beef and Promotion and Research Act of 1985. These reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The Louisiana Beef Industry Council has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is required supplemental information, although not required to be part of the basic financial statements.

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of Louisiana Beef Industry Council. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.



Baton Rouge, LA
August 24, 2007

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Report on Compliance and on Internal Control over Financial Reporting Based Upon An Audit of the Financial Statements Performed in Accordance with Government Auditing Standards

Louisiana Beef Industry Council
Department of Agriculture
State of Louisiana
Baton Rouge, Louisiana

I have audited the financial statement of the Louisiana Beef Industry Council, a component unit of the State of Louisiana, as of and for the year ended June 30, 2007, and have issued my report thereon dated August 24, 2007. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Louisiana Beef Industry Council's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the effectiveness of the Louisiana Beef Industry Council's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Louisiana Beef Industry Council's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a Louisiana Beef Industry Council ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Louisiana Beef Industry Council's financial statements that is more than inconsequential will not be prevented or detected by the Louisiana Beef Industry Council internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Louisiana Beef Industry Council's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I considered to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Beef Industry Council, a component unit of the Department of Agriculture, State of Louisiana, financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on the compliance with those provisions was not an objective on my audit and, accordingly, I do not express such an opinion. The results of my test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of management and interested federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Baton Rouge, LA


August 24, 2007

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Report on Compliance with the Federal Beef Promotion and Research Act of 1985, The Beef Promotion and Research Order and the Agricultural Marketing Services Investment Policy; Based on an Audit Performed in Accordance with Government Auditing Standards

Louisiana Beef Industry Council
Department of Agriculture
State of Louisiana
Baton Rouge, Louisiana

I have audited the financial statement of the Louisiana Beef Industry Council (the Council), a component unit of the State of Louisiana, as of and for the year ended June 30, 2007, and have issued my report thereon dated August 24, 2007. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

Compliance with the Federal Beef Promotion and Research Act of 1985, and the Beef Promotion and Research Order (the "Order") and the agriculture marketing services investment policy is the responsibility of the Louisiana Beef Industry Council's management. As part of my audit, I assessed the risk that noncompliance with the Act and the Order as explained above, could cause the financial statements to be materially misstated. I concluded that the risk of such material misstatement was sufficiently low that it was not necessary to perform test of the Louisiana Beef Industry Council's compliance with the Act and the Order.

However, in connection with my audit, nothing came to my attention that caused me to believe that the Louisiana Beef Industry Council has not complied, in all material respects, with the provision of the Order relative to the use of funds collected by the Council insofar as they relate to accounting matters.

Further, nothing came to my attention that caused me to believe the Council was not in compliance with the provisions of the Beef Board Investment Policy for Qualified State Beef Councils Date December 7, 2000, which describes the type of instruments in which the Council may invest. However, my audit was not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended for the information of the Council and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statue 24:513, this report is distributed by the Legislative Auditor as a public document.



August 24, 2007

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2007

ASSETS

Current assets:

Cash and cash equivalents	\$	560,677
Accounts receivables		44,714

Total assets	\$	<u>605,391</u>
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LIABILITIES

Current liabilities:

Accounts payable	\$	<u>59,827</u>
Total current liabilities		59,827

NET ASSETS

Unrestricted		<u>545,564</u>
Total net assets	\$	<u>545,564</u>

The notes are an integral part of this statement.

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2007

OPERATING REVENUES	
Federal assessment \$1.00	\$ 434,727
Less: Distribution	<u>216,003</u>
	218,724
Louisiana \$.50 assessment	181,308
Less: Refunds	<u>2,575</u>
Total operating revenues	<u>178,733</u>
Total revenues	397,457
OPERATING EXPENSES	
Advertising and promotion	177,807
Industry information	11,326
Research	13,088
Consumer information	1,081
Travel	18,443
Livestock shows	9,125
Program development	571
Education	<u>22,231</u>
Total program expenses	253,672
General and administrative	<u>129,710</u>
Total operating expenses	383,382
Operating income (loss)	14,075
NONOPERATING REVENUES	
Investment income	<u>17,318</u>
Income (loss)	31,393
Total net assets-beginning	<u>514,171</u>
Total net assets-ending	<u>\$ 545,564</u>

The notes are an integral part of these financial statements.

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2007

Cash Flows from Operating Activities:	
Cash receipts from assessments	\$ 659,193
Cash payments to other suppliers for goods and services	<u>(604,348)</u>
Net cash provided (used) by operating activities	54,845
Cash Flows From Investing Activities:	
Interest received	<u>17,318</u>
Net (decrease) in cash and cash equivalents	72,163
Cash and cash equivalents, beginning of year	<u>488,514</u>
Cash and cash equivalents, end of year	<u><u>\$ 560,677</u></u>

RECONCILIATION OF OPERATING INCOME AND NET CASH
PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 14,075
<i>Adjustments to reconcile operating income to net</i>	
<i>cash provided (used) by operating activities:</i>	
Change in assets and liabilities	
Accounts receivable	42,755
Accrued interest	403
Accounts payable	<u>(2,388)</u>
Net cash provided (used) by operating activities	<u><u>\$ 54,845</u></u>

The notes are an integral part of these financial statements.

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Introduction

The Louisiana Beef Industry Council (the Council) is a component unit of the State of Louisiana created within the Louisiana Department of Agriculture, as provided by Louisiana Revised Statutes (LSA-R.S) 3:555. The Council is composed of eleven members, whom are the commissioner of agriculture, the president of the Louisiana Cattlemen's Association and nine cattle producers. Five cattle producers are, appointed by the executive committee of the Louisiana Cattlemen's Association, one representative of the Louisiana Livestock Auction Markets Association, and three representatives of the Louisiana Farm Bureau Federation. The commissioner of Agriculture serves as an ex-officio member of the Council. The members serve three-year terms with no member serving more than two consecutive terms. The Council is responsible for helping develop, maintain, and expand the state, national and foreign markets for cattle and beef products produced, processed, or manufactured in this state, and to permit the cattle production and feeding industry of this state to contribute to the development and sustenance of Louisiana and Nationally coordinated programs of product improvement. The operations of the Council are funded by an assessment levied on Louisiana cattle marketed within or outside of the state. The assessment revenues are established by the Federal Beef Promotion and Research Act of 1985, 7 USC 2901-2918 and by Act 587 of the Louisiana Legislature.

Reporting Entity

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included in the reporting entity. In conformance with GASB Codification Section 2100, this entity is a component unit of the State of Louisiana because the Council is not legally separate and the state holds the Council's corporate powers. The accompanying basic financial statements present only the transactions of the Louisiana Beef Industry Council, a component unit of the State of Louisiana.

Basis of Presentation

The financial statements of the Council are prepared in accordance with accounting principles generally accepted in the United States of America. The Council's reporting entity applies all relevant Governmental Accounting Standards Council (GASB) pronouncements and applicable Financial Accounting Standards Council (FASB) pronouncements and Accounting Principles Council (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The Council may also apply all FASB pronouncements or interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

Basis of Accounting

The accompanying financial statement have been prepared in conformity with general accepted accounting principles (GAAP) generally accepted in the United States of America using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of asses and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Con't.

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits that mature within 90 days after year end and other investments with original maturities of 90 days or less. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or under the laws of the United States.

Under state law, the districts may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days. However, if the original maturities are 90 days or less, they are classified as cash equivalents.

Capital Assets

Capital assets purchased in excess of \$5,000 are recorded at historical cost and depreciated over their estimated useful lives(excluding salvage value). Estimated useful live is management's estimate of how long the asset is estimated to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Furniture	5-7 years
Equipment	5-10 years

Revenues and Expenses

Revenues and expense are recorded on the accrual basis of accounting. Operating revenues and expenses include income and expenditures related to the continuing operation of the Council. Principal operating revenues are federal assessments established in accordance with the Federal Beef Promotion and Research act of 1985 on all Louisiana cattle purchased or sold within or outside of Louisiana and a state assessment on all cattle marketed within or outside Louisiana. The Cattlemen's Beef Promotion and Research Board receives \$.50 of the federal assessments. These distributions are deducted from the federal assessments on the Statement of Revenue, Expenses and Changes in Fund Net Assets. Principal operating expenses are the costs of providing services and include administrative expenses. Other revenues and expenses are classified as non-operating in the financial statements. Using the accrual method of accounting, the revenues for assessments are recorded in the Statement of Revenue, Expenses and Changes in Fund Net Assets as earned. Expenses are recorded as they are incurred.

General and Administrative Expenses

The Board has entered into an General and Administrative Services Agreement with the Louisiana Cattlemen's Association (LCA) whereby LCA will provide certain general administrative services to the Board in return for reimbursement of all direct and indirect cost related to the provided services. During 2007, the Board paid LCA \$121,500 for services related to this agreement.

Encumbrances

Encumbrance accounting is used to record purchase orders as they are incurred to reserve that portion of the application appropriation. This method of accounting is not employed.

Statement of Cash Flows

This statement is prepared using the direct method. For purposes of this statement, this entity considers all highly liquid investments with a maturity of three months or less when purchased as a cash equivalent.

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA

Notes to Financial Statements

2. RECEIVABLES

Receivables are assessments on the sale of cattle that were collected after the fiscal year ended. The Council has not established an allowance for doubtful accounts.

3. DEPOSITS WITH FINANCIAL INSTITUTIONS

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by the three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2007, consisted of the following:

	Cash	Certificates of Deposit	Other (Describe)	Total
Balance per agency books	\$ 376,876	\$ 183,801	\$ _____	\$ 560,677
Deposits in bank accounts per bank	\$ 409,513	\$ 183,801	\$ _____	\$ 593,314
Bank balances of deposits exposed to custodial credit risk:				
a. Deposits not insured and uncollateralized	\$ _____	\$ _____	\$ _____	\$ -
b. Deposits not insured and collateralized with securities held by the pledging institution.	\$ 309,513	\$ 183,801	\$ _____	\$ 493,314
c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or agency but not in the entity's name	\$ _____	\$ _____	\$ _____	\$ -

4. LITIGATIONS

There are not pending litigations or claims against the Council at year end.

5. COUNCIL MEMBERS' PER DIEM

The Council members do not receive a per-diem for attending board meetings.

SUPPLEMENTAL INFORMATION

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA

Summary of Findings and Questioned Costs
For the year ended June 30, 2007

A. SUMMARY OF AUDIT RESULTS

Financial statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? Yes No

Reporting conditions identified that are considered material weaknesses? Yes No

Noncompliance material to financial statements? Yes No

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

NONE

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA

Summary of Prior year Findings and Questioned Costs
For the year ended June 30, 2006

None

LOUISIANA BEEF INDUSTRY COUNCIL
(Agency Name)
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2007

C O N T E N T S

TRANSMITTAL LETTER
AFFIDAVIT

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**STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
BALANCE SHEET
AS OF JUNE 30, 2007**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$	<u>560,677</u>
Investments		
Receivables (net of allowance for doubtful accounts)(Note U)		<u>44,714</u>
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		
Notes receivable		
Other current assets		
Total current assets		<u>605,391</u>

NONCURRENT ASSETS:

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Notes receivable		
Investments		
Capital assets (net of depreciation)(Note D)		
Land		
Buildings and improvements		
Machinery and equipment		
Infrastructure		
Construction in progress		
Other noncurrent assets		
Total noncurrent assets		<u>-</u>
Total assets	\$	<u>605,391</u>

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$	<u>59,827</u>
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		
Amounts held in custody for others		
Other current liabilities		
Current portion of long-term liabilities:		
Contracts payable		
Compensated absences payable (Note K)		
Capital lease obligations - (Note J)		
Claims and litigation payable (Note K)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total current liabilities		<u>59,827</u>

NON-CURRENT LIABILITIES:

Contracts payable		
Compensated absences payable (Note K)		
Claims and litigation payable (Note K)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total long-term liabilities		<u>-</u>
Total liabilities		<u>59,827</u>

NET ASSETS

Invested in capital assets, net of related debt		
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		<u>545,564</u>
Total net assets		<u>545,564</u>
Total liabilities and net assets	\$	<u>605,391</u>

The accompanying notes are an integral part of this financial statement.

Statement A

**STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2007**

OPERATING REVENUES	
Sales of commodities and services	\$ _____
Assessments	_____ 612,447
Use of money and property	_____
Licenses, permits, and fees	_____
Other	_____ 3,589
Total operating revenues	_____ 616,036
OPERATING EXPENSES	
Cost of sales and services	_____ 472,251
Administrative	_____ 129,710
Depreciation	_____
Amortization	_____
Total operating expenses	_____ 601,961
Operating income(loss)	_____ 14,075
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues(expenses)	_____
Taxes	_____
Use of money and property	_____ 17,318
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other revenue	_____
Other expense	_____
Total non-operating revenues(expenses)	_____ 17,318
Income(loss) before contributions and transfers	_____ 31,393
Capital contributions	_____
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____
Change in net assets	_____ 31,393
Total net assets – beginning	_____ 514,171
Total net assets – ending	\$ _____ 545,564

The accompanying notes are an integral part of this financial statement.

Statement B

**STATE OF LOUISIANA
 LOUISIANA BEEF INDUSTRY COUNCIL
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Program Revenues</u>			Net (Expense)	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	Revenue and Changes in Net Assets
Entity	\$ <u>601,961</u>	\$ <u>616,036</u>	\$ _____	\$ _____	\$ <u>14,075</u>
General revenues:					
Taxes					_____
State appropriations					_____
Grants and contributions not restricted to specific programs					_____
Interest					<u>17,318</u>
Miscellaneous					_____
Special items					
Extraordinary item - Loss on impairment of capital assets					_____
Transfers					
Total general revenues, special items, and transfers					<u>17,318</u>
Change in net assets					<u>31,393</u>
Net assets					<u>514,171</u>
Net assets - ending					<u>\$ 545,564</u>

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2007**

Cash flows from operating activities		
Cash received from customers	\$	616,036
Cash payments to suppliers for goods and services		<u>(561,191)</u>
Cash payments to employees for services		
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		<u>54,845</u>
Cash flows from non-capital financing activities		
State appropriations		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other		
Net cash provided(used) by non-capital financing activities		<u>-</u>
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		<u>-</u>
Cash flows from investing activities		
Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities		<u>17,318</u>
Net cash provided(used) by investing activities		<u>17,318</u>
Net increase(decrease) in cash and cash equivalents		<u>72,163</u>
Cash and cash equivalents at beginning of year		<u>488,514</u>
Cash and cash equivalents at end of year	\$	<u><u>560,677</u></u>

**STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2007**

Operating income(loss)		\$ <u>14,075</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	_____	
Provision for uncollectible accounts	_____	
Other	_____	
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	43,158	
(Increase)decrease in due from other funds	_____	
(Increase)decrease in prepayments	_____	
(Increase)decrease in inventories	_____	
(Increase)decrease in other assets	_____	
Increase(decrease) in accounts payable and accruals	(2,388)	
Increase(decrease) in compensated absences payable	_____	
Increase(decrease) in due to other funds	_____	
Increase(decrease) in deferred revenues	_____	
Increase(decrease) in other liabilities	_____	
 Net cash provided(used) by operating activities		 \$ <u><u>54,845</u></u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease	\$ _____
Contributions of fixed assets	_____
Purchases of equipment on account	_____
Asset trade-ins	_____
Other (specify)	_____
_____	_____
_____	_____
 Total noncash investing, capital, and financing activities:	 \$ <u><u>-</u></u>

The accompanying notes are an integral part of this statement.

Statement D (concluded)

**STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
Notes to the Financial Statement
As of and for the year ended June 30, 2007**

INTRODUCTION

The Louisiana Beef Industry Council (the Council) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 3:555. The Council is a component unit of the State of Louisiana created within the Department of Agriculture. The Council is composed of eleven members, whom are the commissioner of agriculture, the president of the Louisiana Cattlemen's Association and nine cattle producers. Five cattle producers are appointed by the executive committee of the Louisiana Cattlemen's Association, one representative of the Louisiana Livestock Auction Markets Association, and three representative of the Louisiana Farm Bureau Federation. The commissioner of Agriculture serves as an ex-officio member of the council. The members serve three-year terms with no member serving more than two consecutive terms. The Council is responsible for helping develop, maintain, and expand the state, national and foreign markets for cattle and beef products produced, processed, or manufactured in this state, and to permit the cattle production and feeding industry of this state to contribute to the development and sustenance of Louisiana and Nationally coordinated programs of product improvement. The operations of the Council are funded by an assessment levied on Louisiana cattle marketed within or outside of the state. The assessment revenues are established by the Federal Beef Promotion and Research Act of 1985, 7USC 2901-2918 and by Act 587 of the Louisiana Legislature. The following is a brief description of the operations of Louisiana Beef Industry Council which includes the parish/parishes in which the Council is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of *Governmental Accounting and Financial Reporting Standards (GASB Codification)*. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Louisiana Beef Industry Council present information only as to the transactions of the programs of the Louisiana Beef Industry Council as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Louisiana Beef Industry Council are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**STATE OF LOUISIANA
 LOUISIANA BEEF INDUSTRY COUNCIL
 Notes to the Financial Statement
 As of and for the year ended June 30, 2007**

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Louisiana Beef Industry Council are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

	<u>APPROPRIATIONS</u>
	<u>SELF GENERATED</u>
Original approved budget	\$ <u>603,000</u>
Amendments:	_____

Final approved budget	\$ <u><u>603,000</u></u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana Beef Industry Council may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Louisiana Beef Industry Council may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

**STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
Notes to the Financial Statement
As of and for the year ended June 30, 2007**

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by the three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2007, consisted of the following:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Balance per agency books	\$ 376,876	\$ 183,801	\$ _____	\$ 560,677
Deposits in bank accounts per bank	\$ 409,513	\$ 183,801	\$ _____	\$ 593,314
Bank balances of deposits exposed to custodial credit risk:				
a. Deposits not insured and uncollateralized	\$ _____	\$ _____	\$ _____	\$ _____
b. Deposits not insured and collateralized with securities held by the pledging institution.	\$ 309,513	\$ 183,801	\$ _____	\$ 493,314
c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or agency <u>but not in the entity's name.</u>	\$ _____	\$ _____	\$ _____	\$ _____

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Balance per agency books" due to outstanding items.

The following is a breakdown by banking institution, program, account number, and amount of the "Deposits in bank accounts per bank" balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. <u>PLAQUEMINE BANK</u>	<u>CD</u>	\$ 183,801
2. <u>PLAQUEMINE BANK</u>	<u>MONEY MARKET</u>	356,112
3. <u>PLAQUEMINE BANK</u>	<u>CHECKING</u>	23,972
4. <u>PLAQUEMINE BANK</u>	<u>CHECKING</u>	29,429
Total		\$ 593,314

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ <u>NONE</u>
Petty cash	\$ <u>NONE</u>

**STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
Notes to the Financial Statement
As of and for the year ended June 30, 2007**

2. INVESTMENTS

The Louisiana Beef Industry Council does not maintain investment accounts as authorized.

3. DERIVATIVES

The institution does not invest in derivatives as part of its investment policy.

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets purchased in excess of \$5,000 used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

For the year ended June 30, 2007, the Council did not have any fixed Assets.

E. INVENTORIES

The Council did not have any inventories at June 30, 2007.

F. RESTRICTED ASSETS

The Louisiana Beef Industry Council did not have any restricted assets at June 30, 2007.

G. LEAVE

1. COMPENSATED ABSENCES

The Louisiana Beef Industry Council did not have any employees during the year ended June 30, 2007.

2. COMPENSATORY LEAVE

The Louisiana Beef Industry Council did not have any employees during the year ended June 30, 2007.

H. RETIREMENT SYSTEM

The Louisiana Beef Industry Council did not have any employees during the year ended June 30, 2007

J. LEASES

1. OPERATING LEASES

The Council did not have any operating leases at June 30, 2007.

2. CAPITAL LEASES

The Council did not have any Capital leases at June 30, 2007.

**STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
Notes to the Financial Statement
As of and for the year ended June 30, 2007**

L. CONTINGENT LIABILITIES

The Louisiana Beef Industry Council did not have any contingent liabilities at June 30, 2007.

M. RELATED PARTY TRANSACTIONS

The Louisiana Beef Industry Council has entered into a General and Administrative Services Agreement with the Louisiana Cattlemen's Association (LCA) whereby LCA will provide certain general administrative services to the Council in return for reimbursement of all direct and indirect cost related to the provided services. During the year ended June 30, 2007, the Council paid LCA \$121,500 for services related to this agreement.

N. ACCOUNTING CHANGES

There were no accounting changes for the year ended June 30, 2007.

O. IN-KIND CONTRIBUTIONS

None.

P. DEFEASED ISSUES

There were no defeased issues at June 30, 2007.

Q. COOPERATIVE ENDEAVORS

The Louisiana Beef Industry Council did not have any Cooperative Endeavors for the year ended June 30, 2007.

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

The Louisiana Beef Industry Council did not have any government-mandated nonexchange transactions.

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

None.

T. SHORT-TERM DEBT

None.

**STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
Notes to the Financial Statement
As of and for the year ended June 30, 2007**

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2007, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
General Fund	\$ 44,714	\$ -	\$ -	\$ -	\$ 44,714
					-
Gross receivables	\$ 44,714	\$ -	\$ -	\$ -	\$ 44,714
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	\$ 44,714	\$ -	\$ -	\$ -	\$ 44,714
Amounts not scheduled for collection during the subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2007, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General Fund	\$ 59,826	\$ -	\$ -	\$ -	\$ 59,826
					-
Total payables	\$ 59,826	\$ -	\$ -	\$ -	\$ 59,826

W. SUBSEQUENT EVENTS

None.

X. SEGMENT INFORMATION

None.

Y. DUE TO/DUE FROM AND TRANSFERS

None.

**STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
Notes to the Financial Statement
As of and for the year ended June 30, 2007**

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

None.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets for June 30, 2007.

None.

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46)

Of the total net assets reported on Statement A at June 30, 2007, **none** are restricted by enabling legislation (which includes a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation).

CC. IMPAIRMENT OF CAPITAL ASSETS

None.

DD. EMPLOYEE TERMINATION BENEFITS

The Louisiana Beef Industry Council did not have any employees for the year ended June 30, 2007.

STATE OF LOUISIANA
 LOUISIANA BEEF INDUSTRY COUNCIL
 COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2007</u>	<u>2006</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 633,354	\$ 599,986	\$ 33,368	5.56%
Expenses	601,961	507,016	94,945	18.7%
2) Capital assets	None	None	-	
Long-term debt	None	None	-	
Net Assets	545,564	514,171	31,393	6.1%
Explanation for change:	_____			

